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Draft Law on Detailed Country of Origin Labeling of Meat Products

Report Categories:

FAIRS Subject Report

Livestock and Products

Poultry and Products

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Report Highlights:

On August 1, 2013, Russia's Liberal Democratic Party introduced to the State Duma a draft law that would mandate detailed country-of-origin labeling requirements for all meat products. In particular, the law proposes a requirement that meat manufacturers include a label on the consumer packaging of meat and meat products, including poultry, that contains a short name of the country of origin for all meat ingredients. Before the law can be implemented, however, it must first go through the State Duma legislative process, which resumes September 1, 2013. Such a law could take at least two months to be ratified, provided that it is supported by the Duma's United Russia Party majority.

As of the date of the publication of this report, FAS/Moscow does not believe this measure has been notified to the World Trade Organization.

General Information:

On August 1, 2013, Russia's Liberal Democratic Party introduced to the State Duma a draft law that would mandate detailed country-of-origin labeling requirements for all meat products. In particular, the law proposes a requirement that meat manufacturers include a label on the consumer packaging of meat and meat products, including poultry, that contains a short name of the country of origin for all meat ingredients. Before the law can be implemented, however, it must first go through the State Duma legislative process, which resumes September 1, 2013. Such a law could take at least two months to be ratified, provided that it is supported by the Duma's United Russia Party majority.

Unofficial English translations of the draft law "[On Amendments to Federal Law, Article 9 "On Quality and Safety of Foodstuffs"](#)" and a related [explanatory note](#) provided by the Liberal Democratic Party to the State Duma, can be found below.

As of the date of publication of this report, FAS/Moscow does not believe this measure has been notified to the World Trade Organization.

BEGIN UNOFFICIAL TRANSLATION:

Introduced by
the State Duma Deputy
M.V. Degtyaryev

Draft

FEDERAL LAW
On Amendments to the Federal Law, Article 9
"On Quality and Safety of Foodstuffs"

Article 1

Article 9 of the Federal Law dated January 2, 2000, No. 29-FZ "On Quality and Safety of Foodstuffs" (Collection of Legislative Acts of the Russian Federation, 2000, No. 2, art. 150; 2003, No. 2, art. 167; 2004, No. 35, art. 3607; 2005, No. 19, art. 1752; 2006, No. 1, art. 10; 2008, No. 30, art. 3616; 2009, No. 1, art. 17, 21; 2011, No. 1, art. 6; No. 30, art. 4596) shall read as follows:

"Article 9. Mandatory requirements to foodstuffs, materials and goods

1. Mandatory requirements to foodstuffs, materials and goods, packaging, labeling, procedures for assessment of conformity with these mandatory requirements, operational control over the quality and safety of foodstuffs, materials and goods, methodology of their analysis (testing), measuring, and the identification rules are established by the regulatory documents and the present Federal Law.

2. Labeling shall be placed on the meat or meat product consumer packaging to include the short name of the country of origin of the meat ingredients in the Russian language in accordance with the "All-Russian Classifier" of the countries of the world. If the meat products contain meat ingredients originating from various countries, then the names of all these countries shall be put on the packaging. Also, this information shall cover no less than ten percent of the surface of the packaging.

3. The information stipulated in item 2 of this article shall be set in a black box. The information shall be inserted in block letters, black in color against white background in bold, intelligible, easy-to-read type of the largest size possible. Line spacing must not exceed the type height. The information must be equally distributed throughout the entire surface inside the box.”

Article 2

The present Federal Law shall come into effect as of the day of its official publication.

President
of the Russian Federation

END UNOFFICIAL TRANSLATION.

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**EXPLANATORY NOTE
to the Draft Federal Law
“On Amendments to Federal Law, Article 9 “On Quality and Safety of Foodstuffs”**

The draft law was developed to protect consumers’ rights and bring to their notice more complete information about meat and meat products available in retail.

At present, manufacturers are not obliged to put the country of origin labeling of the meat ingredients marketed in Russia on the consumer packaging. Consumers are in the dark about what beef (Brazilian, Lithuanian, Russian, and so on) any given sausage is made of. Citizens have information about only the name and the address of the location of the product’s manufacturer.

In the meantime, according to the Public Opinion Foundation, 69% of consumers prefer to buy domestic foodstuffs and only 1% of consumers are deliberately looking for imported food on the shelves.

The majority of citizens want to buy meat products manufactured from livestock and poultry raised in Russia and not abroad.

The current lack of disclosure of information on territorial specifications of products impacts the revenue and competitiveness of Russian meat suppliers. Meat processors can choose to work only with the imported raw materials while consumers will have no knowledge of this fact.

Many citizens believe that if a meat product is produced in Russia, its ingredients originate from our country as well. However, in reality the sausage “of domestic production” may consist exclusively of Brazilian meat ingredients instead of the Russian beef and pork.

In spite of the increase in production and sales of domestic meat, 2012 meat imports went up. According to the updated information from the Federal Customs Service, imported meat and by-products (excluding Russia’s mutual trade with the Republic of Belarus and the Republic of Kazakhstan) increased by 6.2% and totaled 2.1 million MT including beef – 628,200 MT (4% higher than the previous year), pork – 725,100 MT (9% up), poultry meat – 470,500 MT (12.4% up). This being said, the increase in meat import volumes was accompanied by a rise in meat prices.

What caused this to happen was both the lower price of imported meats as compared with the internal marketing price of domestic agricultural producers and, to some extent, new conditions for imports from abroad that were established on the market after Russia’s accession to WTO.¹

For the last 15 years, high customs tariffs protected the Russian market from the invasion of foreign suppliers of cheap meat ingredients.

The Russian Federation joined the World Trade Organization in 2012, and hence import customs duties were reduced considerably.

For instance, in the past, foreigners had to pay a duty of 25% of the value of the goods but no less than 0.4 Euro per kg to import ready-to-eat sausage, when the customs duty rate was reduced to 20% but no less than 0.25 Euro per kg after the protocol on Russia’s accession to the Marrakesh agreement had been ratified.

The duty specific component is completely annulled (in Euro per kg).

There are plans to abolish the import duty for pork starting from 2020.

¹ “National report on the progress and results of 2012 implementation of the State Program of Agriculture Development and Regulation of Markets of Agricultural Products, Raw Materials, and Food for 2008-2012” (approved by the RF Government Decree from 08.05.2013 No. 753-r).

	Quota in 2011, thousand MT	Quota after WTO accession, thousand MT	In-quota duty rate in 2011	In-quota duty rate after WTO accession	Out-of-quota duty rate in 2011	Out-of-quota duty rate after WTO accession	Abolition of quotas
Beef	560	570	15% but no less than 0.2 Euro per 1 kg	15%	50% but no less than 1 Euro per 1 kg	55%	-
Pork	472	400	15% but no less than 0.25 Euro per 1 kg	0	75% but no less than 1.5 Euro per 1 kg	65% 25% from January 1, 2020	From January 1, 2020
Poultry	350	364	25% but no less than 0.2 Euro per 1 kg	25%	80% but no less than 0.7 Euro per 1 kg	80%	-

The law proposes a requirement that meat manufacturers include a label on the consumer packaging of meat and meat products, including poultry, that contains a short name of the country of origin for all meat ingredients. If meat products are comprised of meat ingredients originating from different countries, then it is suggested that the names of all of these countries be placed on the packaging. Also, this information must cover no less than ten percent of the surface of the packaging.

Also, the law provides that the information must be set inside a black box and written in block letters, in black color against white background in bold, intelligible, easy-to-read type of the largest size possible. Line spacing must not exceed the type height. The information must be equally distributed throughout the entire area of the box.

Labeling of the manufactured meat packaging will help:

1) the Russian consumers to make well-considered choices when buying meat and meat products based on complete and reliable information on the country of origin of the meat ingredients;

2) the Russian companies that use domestic meat ingredients with the help of non-price methods to stand up to the growing competition of the foreign meat processors, to establish and maintain the consumers loyalty;

3) the Russian meat producers to increase their share on the domestic market despite reducing import custom duties on foreign meat.

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